



**Revenue Information Bulletin No. 06-036  
December 13, 2006**

**Personal Income, Corporation Income and Franchise Taxes  
Documentation Required for Ad Valorem Tax Payment Credits on Inventory**

The Post Processing Services Division has issued the following statement:

La. Rev. Stat. §47:6006 provides a credit against Louisiana income or corporation franchise tax for ad valorem taxes paid to political subdivisions on inventory held by manufacturers, distributors, and retailers. Taxpayers claiming this tax credit should complete Form R-10610, Schedule of Ad Valorem Tax Credit Claimed by Manufacturers, Distributors and Retailers for Ad Valorem Tax Paid on Inventory Louisiana Revised Statute 47:6006, and list the following information:

1. The parish that issued the assessment;
2. The assessment number;
3. The ad valorem tax assessment amounts on qualified inventory;
4. The ad valorem tax payment amounts;
5. The payment dates for each payment; and
6. The check or receipt numbers.

The total payments on the schedule must support the actual inventory tax credit claimed.

Alternatively, taxpayers may prorate the total taxes paid to a specific tax assessor based on a ratio of assessed value of qualified inventory to total assessed value in order to determine the eligible credit. If the taxpayer takes this option, the schedule must also include the total assessment and tax paid information so that the percentage of use may be verified. This method may only be used if the assessment tax rate is the same for all types of property. If the tax rates vary, then the first method must be used.

Taxpayer claiming the credit must attach copies of assessments and canceled checks for the first three years that the taxpayer claims the inventory credit. After the three years, the schedule of the information on Form R-10610, which can be substantiated through the Parish Tax Assessors' offices, will be sufficient.

Taxpayers that fail to correctly complete Form R-10610 or provide the required documentation will not be granted the credit until the information and documents are provided. If after the initial three-year period tax credit discrepancies are found, the taxpayer may be required to submit the supporting documentation for prior years before the credits will be allowed. Taxpayers must maintain all supporting documents until the tax period has prescribed.

If additional information is needed, contact the Taxpayer Services Division at (225) 219-7318.

Cynthia Bridges  
Secretary

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